Revival of closed public sector fertilizer units

738. SHRI N.R. GOVINDARAJAR: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) how many public sector fertilizer units are closed in our country;

(b) whether Government has chalked out any scheme to raise funds for the revival of these closed public sector fertilizer units;

(c) if so, the details there of;

(d) whether these units are encountering serious problems due to price hike and non - availability of sufficient quantity of raw materials like Sulphur; and

(e) if so, whether Government has taken any comprehensive measures to overcome the crises?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Out of the nine public sector fertilizer companies under the administrative control of the Department of Fertilizers, the units of two, namely Fertilizer Corporation of India Limited (FCIL), and Hindustan Fertilizer Corporation Limited (HFCL) are presently lying closed since 2002. The details of closed units are as under:-

Name of Unit	State in which situated	Date of shut-down of the unit	Date of Government's decision for closure
1. **Name of the PSU: Fertilizer Corporation of India Limited (FCIL)**			
Sindri	Jharkhand	March, 2002	5.9.2002
Gorakhpur	Uttar Pradesh	1990	18.7.2002
Talcher	Orissa	1.4.1999	18.7.2002
Ramagundam	Andhra Pradesh	1.4.1999	18.7.2002
Korba Fertilizer Project	Chhattisgarh	Never Commissioned	Not Applicable
2. **Name of the PSU: Hindustan Fertilizer Corporation Limited (HFCL)**			
Durgapur	West Bengal	1997	5.9.2002
Barauni	Bihar	1999	5.9.2002
Haldia Fertilizer Project	West Bengal	Never Commissioned	18.7.2002

(b) and (c) Pursuant to the decision taken by the Government on 12.4.2007, the feasibility of reviving the various closed units of FCIL and HFCL was examined by the Government, subject to the confirmed availability of gas. The revival of closed units, based on gas have been found to be economically feasible, under the New Investment Policy, as per the Techno-Economic Feasibility Reports (TEFR) for revival of the closed units, as prepared by the Projects & Development India Limited (PDIL), a premier consultancy organisation in the fertilizer sector. PDIL had opined that revival was economically feasible provided the outstanding GOI loans and interest liabilities of the

units are waived and the other dues are settled with the respective creditors. Accordingly, the Government, on 30th October 2008, considered the proposal of the Department of Fertilizers for revival of Barauni Unit of Hindustan Fertilizer Corporation through a Special Purpose Vehicle (SPV), promoted by fertilizer PSUs/ Cooperatives. The SPV would submit a fully tied-up revival scheme for the closed fertilizer unit at Barauni.

The Government also accorded approval for constitution of an Empowered Committee of Secretaries under the Chairmanship of Secretary (Fert.) and Secretaries of Deptt. of Expenditure, Deptt. of Disinvestment, Planning Commission, Department of Public Enterprises and Ministry of Petroleum & Natural Gas as members, to look into all the financial models for revival of each of the closed units. The Committee would also look into various linkages including gas for facilitating revival of the closed units. The Committee will submit its recommendations including the model for revival of each of the closed units, to the Government.

The Government also accorded in-principle approval for considering write-off of Government of India loans and interest liabilities of the FCIL and HFCL. The final decision on waiver will be taken when fully tied-up proposals are received by the Government. Since the mode of revival and financing of each unit are yet to be finalized, the Government is exploring all options for financing the revival of these closed public sector fertilizer units.

(d) and (e) As the units remain closed since 2002 and there is no production of fertilizers, the question does not arise.

Availability of Fertilizers

739. SHRI SYED AZEEZ PASHA: Will the Minister of CHEMICALS AND FERTILISERS be pleased to state:

(a) the demand and supply of fertilizers recorded in the country during 2008-09, Statewise;

(b) whether there is shortage and delay in the availability of fertilizers for the current season; and

(c) if so, the details and if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) The State-wise demand (Requirement) and supply (Availability) of major fertilizers namely Urea, DAP, MOP & Complex fertilizers during the year 2008-09 are given in the enclosed Statement. (*See* below).

(b) and (c) No, Sir. Urea is the only fertilizer which is under partial movement and distribution control of the Government. Union Government ensures availability of urea State State level. State Governments are responsible for its distribution within the State. All other fertilizers *viz.*, DAP. MOP, NPK and SSP etc. are de-controlled/ de-canalized since, 1992. The availability of these fertilizers is decided by the market forces of demand and supply. The month-wise requirement, (demand), availability (supply) and sales of Urea, DAP, MOP and complex fertilisers in the country during the period April, 2009 to June, 2009 of current Kharif, 2009 season are given at Annexure. [*See* Appendix 217 Annexure No.10] As can be seen, there is no delay shortage of these fertilizers in the country except complex fertilizers where some tightness is felt because of low level of indigenous production.